

## **Questions and Answers on the President's Trade Legislative Agenda and Trade Promotion Authority**

**Q: *Why is U.S. Trade Promotion Authority important?***

A: To move forward on a trade agenda and negotiate the best possible deals, the executive branch will need as much negotiating leverage as possible. Our trading partners need to know the President's negotiators speak for the entire United States. U.S. TPA tells other governments that there will be no more negotiation once they reach an agreement with the President. And it ensures close collaboration between Congress and the President.

**Q: *What are the prospects for TPA?***

A: TPA has not been renewed since 1994, so no one should underestimate the difficulty of the task. However, the stakes are too high not to succeed. The economic prosperity of the United States – with more choices and lower prices for consumers, export opportunities for farmers, or new business opportunities for entrepreneurs – demands that Congress and the President work together to ensure success.

**Q: *What is the thinking behind the various labor and environment provisions in the framework?***

A: The framework is based on the premise that, in the trade and economic sphere, we can promote environmental protection, help protect children from grave labor abuses, and promote adherence to core labor standards around the world in three ways.

- First, as the President has said, trade helps create the culture of liberty and the economic wealth needed to build and sustain support for better working conditions and improved environmental protection around the world.
- Second, we can also make progress in addressing labor and environment issues in trade negotiations. For that reason, the framework makes the promotion of core labor standards, the protection of children, and mutually reinforcing trade and environmental policies principal negotiating objectives for the United States, along with more traditional commercial objectives.
- Third, is the concept of a “toolbox” of illustrative measures that could be used in combination with trade negotiations to encourage countries to protect their environments and adhere to core labor standards.

**Q: *Why should trade critics view this proposal as progress on these issues?***

A: This is a major step towards those who have sought to have labor and environment issues treated on an equal footing with more traditional trade negotiating objectives. Both labor and environmental goals will be on the list of principal U.S. negotiating objectives for TPA agreements, thus meeting a key request from the labor and environmental communities in recent debates over TPA.

- This agenda also increases transparency in international trade organizations and agreements, including opening the WTO to greater public scrutiny and allowing the public to observe dispute settlement proceedings -- two important NGO requests.

- Also included is a “toolbox” of ideas for promoting core labor standards, the protection of children, and environmental protection around the world in combination with trade negotiations.

**Q: *The framework does not say whether trade sanctions will apply to labor and the environment. How does the framework address this issue?***

A: The framework include specific objectives that address enforcement concerns. It calls for U.S. negotiators to ensure that U.S. rights under trade agreements are secured through rapid, effective, and transparent enforcement procedures appropriate to the parties, nature, and subject matter of the agreements, without compromising U.S. sovereignty or slipping into protectionism.

**Q: *How long will TPA remain in effect?***

A: This is a subject we want to discuss further with the Congress. Whatever period is chosen should be sufficient to allow the Administration to conclude some major trade agreements, such as the FTAA, as well as the potential new WTO negotiating round.

**Q: *Is the Administration going to submit TPA legislation?***

A: We intend to continue an active exchange of views with Congress to move the legislative process forward. We hope that our TPA framework will assist the Congress in developing actual legislation and we would hope to assist in that effort.

**Q: *Does the Administration have a deadline for Congress to take up TPA?***

A: It is important that the President receive this authority quickly. The longer we wait, the more we delay opportunities for our consumers, farmers, and businesses. U.S. exporters are losing business in Chile to Canadian firms because Canada has negotiated a free trade agreement with Chile and the United States has not. This is only one example, there are some 130 preferential trade agreements in the world today, and the United States is a party to only two.

**Q: *Will TPA move as a part of a package with other trade bills?***

A: The Administration is prepared to be flexible on that question and are interested in working with Congress to determine the best means of moving TPA and other crucial trade bills on the President's trade legislative agenda forward expeditiously. This is primarily an issue for Congress, but it may be that it is more efficient to deal with a number of similar issues in several of these implementing bills simultaneously.